

**Sandy Hill
County Auditor**

(903) 567-2171
(903) 567-4700



**FIRST ASSISTANT AUDITOR:
MICHELLE KENNY**

**ASSISTANT AUDITORS:
LISA HUTCHERSON
NICOLE NIX**

Van Zandt County Auditor

121 E Dallas Street, Room 102
Canton, TX 75103

December 16, 2022

Van Zandt County Juvenile Probation Department
Attn: Robert Colacino, Director
Grand Saline, TX 75140

Re: Internal Control Audit

The Van Zandt County Auditor's Office performed an internal control audit at the Van Zandt County Juvenile Probation Office on December 13, 2022. I have attached our report for review.

The objective of this audit was to determine the adequacy of internal controls over receipting, depositing, operational office controls and completeness of the audit trail.

We would like to thank Robert Colacino, Director, Linda Hathcock, Assistant Director, and Josephine Snellings, Administrative Assistant, who cooperated and assisted with this audit. They were very open in discussing the current office operations and willing to help resolve any issues that we discussed.

At this time, our office has a few recommendations listed in the report. Otherwise, the controls and procedures in place are very effective and the office is organized. We want to congratulate them on the great job they are doing!

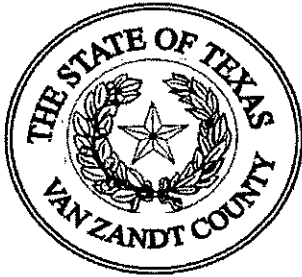
Please let me know if you have any questions or concerns.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lisa Hutcherson".

Lisa Hutcherson
Assistant Auditor

cc: District Judge – Chris Martin
Judge- Don Kirkpatrick
County Commissioners
Auditor- Sandy Hill



AUDITOR SANDY HILL

VZC Juvenile Probation Office
Internal Control Audit

Van Zandt County Auditor's Office

DECEMBER 13, 2022

121 East Dallas, Room 102, Canton, TX 75103

903-567-2171 phone 903-567-4700 fax

EXECUTIVE SUMMARY

We have completed an audit of internal controls at the Van Zandt County Juvenile Probation Office. Our audit was performed in accordance with generally accepted government audit standards and intended to state objectives based on this audit.

Objectives, Scope and

Methodology

The objective of this audit was to determine the adequacy of internal controls over receipting, deposit procedure and compliance with procedures and completeness of audit trail. This includes all functions from the time of receipt to its recording and reconciling of transactions.

Summary of Findings and

Recommendations

We found that management and staff were very receptive to making improvements in their control environment and even made changes during the course of our review.

Commendation

We would like to thank the staff members from the Van Zandt County Juvenile Probation office who cooperated and assisted with this audit, specifically, Director, Bobby Colacino, Assistant Director, Linda Hathcock and Administrative Assistant, Josephine Snellings. They were very open in discussing their operations.

BACKGROUND

Initial Contact

The Van Zandt County Auditor's Office contacted Bobby Colacino and requested a formal audit of internal controls for December 13, 2022.

Organization

The Van Zandt County Juvenile Probation handles many aspects of juvenile probationers.

Collection Points

The Van Zandt County Juvenile Probation collects money for various purposes including but not limited to the following:

- Probation fees and fines, county contracts for housing probationers.

ANALYSIS OF CONTROLS

In the following sections, we detail our analysis of control strengths as well as recommended improvements.

Strengths

- Strong interest to have adequate controls
- Reconciliation of transactions and bank account done in a timely manner
- Knowledge and longevity of current Director and employees
- Cooperation and openness with County Auditor
- Two signatures are required on each signed check; signers on the checking accounts are Bobby Colacino and Jo Snellings.
- all money collected receipted, logged and placed immediately into locking drawer.
- Cross training of employees exists for allowances of employee time off/vacation.
- Controls of receipts in place by daily log and three employees to protect assets.
- Deposits are made timely.
- Low staff turnover in the administrative department.
- Control of numbered receipts and voided transactions

Weaknesses

Based on our review and discussions with management and staff we noticed the following:

After the deposit is complete, there is not another employee that verifies and initials the deposit before it is taken to the bank. No dual control utilized as the same person that prepares the deposits takes them to the bank.

Upon receipt of checks/money orders, they are not immediately stamped with a restrictive endorsement (for deposit only). They are stamped when Jo Snellings prepares the deposit later in the day.

RISK ASSESSMENTS

Encourage New Ideas

During our review, we tried to identify three basic items:

- All possible risks
- Existing preventive controls for each risk, and
- Existing detective controls for each risk.

Once identified, the managers can develop a plan to address the risks. No significant risks were discovered at this time.

Items To Be Resolved

No immediate issues found at this time.

Guidelines for Implementing

Changes

We are encouraged by the controls that the Van Zandt County Juvenile Probation office currently has in place and appreciate their attention to the necessity of controls.

RECAP OF

RECOMMENDATIONS


Revisit their deposit procedures to add a second person to verify the deposit before going to the bank.

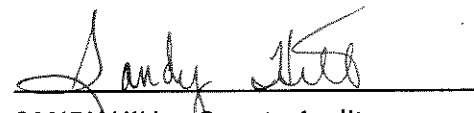
During the receipt of payments at the front desk, add a step that would include immediately using a restrictive stamp before the check/money order is dropped into the locked drawer.

Overall, our recommendation is to continue the path of exemplary internal controls that are already in place. As new procedures are implemented, keep in mind the importance of good internal controls. We appreciate their efforts and believe they will continue to be successful in doing so.

Respectfully submitted,

Reviewed and approved by:


LISA HUTCHERSON –Assistant Auditor


SANDY HILL – County Auditor

12/16/2022
Date

cc: District Judge Chris Martin
County Judge Don Kirkpatrick
Commissioner Chad LaPrade #1
Commissioner Virgil Melton #2
Commissioner Keith Pearson #3
Commissioner Tim West #4